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**THE DIRECTOR OF CENTRAL INTELLIGENCE**

WASHINGTON, D.C. 20505

National Intelligence Council

DDI #5576-82  
7 July 1982

MEMORANDUM FOR THE RECORD

SUBJECT: Interagency Study of Economic Issues for NSC Meeting

1. The President has requested an interagency report on current international economic issues by 9 July. The report is to be discussed by the NSC probably the following week. Pending George Shultz's confirmation as Secretary of State, Secretary of the Treasury Regan is responsible. His action officer is Bob Cornell.

2. Cornell told me that the following papers have been assigned and are due to him by noon today (7 July).

1. Steel imports--Commerce.
2. Agricultural issues--USDA. There are two main topics:
  - a. The US-Soviet grain agreement; and
  - b. US-EC agricultural issues.
3. Monetary and macroeconomic issues (policy coordination, exchange market intervention, etc.)--Treasury.
4. East-West issues. Two papers:
  - a. Sanctions on oil and gas equipment--Commerce;
  - b. Other issues (debt, credits, etc.)--Treasury/State/NSC.
5. Shipping issues--State.
6. Export credits--Treasury.
7. Energy alternatives to the Siberian pipeline--NSC (Bill Martin).
8. Possible domestic actions with international implications (only action being considered so far is natural gas deregulation. Others may be added)--Treasury.


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9. The international trade system and miscellaneous trade issues--STR (with Treasury input).
10. Textile imports--STR.
3. A paper will also be prepared on Thursday taking a broader look at foreign economic strategies--NSC/Treasury.
4. Given the deadline, CIA cannot make a direct contribution, but will receive all the papers and have an opportunity to comment. I will go to a meeting at Treasury on Thursday afternoon (3:00 p.m.) with our comments on the drafts.
5. Our role in this exercise is in addition to the DCI's request for papers to prepare him for the NSC meeting. Two papers--on US-Western European relations; and on Soviet strategies in reaction to US sanctions on pipeline equipment--are due to the DCI by c.o.b. July 8th or early July 9th at the latest. I need drafts earlier, ASAP. I will put together the full briefing book for the NSC meeting when it has been definitely scheduled.

  
Maurice C. Ernst

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DCI/NIC/NIO/Econ:M.Ernst:bha(7 July 82) R-1584

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## THE WHITE HOUSE

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WASHINGTON

July 2, 1982

DDI- 5531/82

MEMORANDUM FOR THE SECRETARY OF STATE  
 THE SECRETARY OF THE TREASURY  
 THE SECRETARY OF DEFENSE  
 THE SECRETARY OF COMMERCE  
 THE SECRETARY OF AGRICULTURE  
 THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET  
 THE UNITED STATES TRADE REPRESENTATIVE  
 THE CHAIRMAN, COUNCIL OF ECONOMIC ADVISORS

SUBJECT: International Economic Policy

The President directs immediate analysis of four international economic issues and establishment of a Senior Interdepartmental Group for International Economic Policy (SIG-IEP).

The attached draft NSDD would establish the SIG-IEP involving the Departments of State, Treasury, Defense, Commerce, Agriculture, the Office of the U.S. Trade Representative, the Office of Management and Budget, and the Office of the Council of Economic Advisors. The Secretary of State would be the Chairman and the Secretary of the Treasury Vice Chairman. Addressees are requested to review the attached draft NSDD and to submit comments to the President by Thursday, July 15, 1982.

Pending comments on the final directive, the President requests work commence immediately on four matters. Accordingly, within the framework of the attached draft NSDD, it is requested the Secretary of the Treasury in the role of Vice Chairman convene the SIG-IEP for the purpose of addressing:

- o Steel imports;
- o Agricultural issues with Europe, Japan and the Soviet Union;
- o Sanctions of oil and gas equipment;
- o Other matters of immediate concern to U.S./European economic relations.

The President requests the interagency report on these issues be submitted to the NSC by July 9, 1982.

FOR THE PRESIDENT:



William P. Clark

Attachment

cc: The Vice President  
 The Counsellor to the President  
 The Director of Central Intelligence  
 The United States Representative to the United Nations  
 The Chief of Staff to the President  
 The Deputy Chief of Staff to the President  
 The Chairman of the Joint Chiefs of Staff

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THE WHITE HOUSE

WASHINGTON

NATIONAL SECURITY DECISION  
DIRECTIVE NUMBER

NATIONAL SECURITY COUNCIL STRUCTURE

This National Security Council Decision Directive amends NSDD-2 by establishing a new interagency group.

The Senior Interagency Group -- International Economic Policy (SIG-IEP).

To advise and assist the NSC in exercising its authority and discharging its responsibilities for international economic policy as it relates to our foreign policy, the SIG-IEP is established. The SIG-IEP shall be composed of the Secretary of State (Chairman), the Secretary of the Treasury (Vice Chairman), and representatives from the Departments of Defense, Commerce, Agriculture, Office of the United States Trade Representative, Office of Management and Budget, Council of Economic Advisors, and National Security Council Staff. Representatives of other Departments and Agencies with responsibilities for specific matters to be considered will attend on invitation by the Chairman.

The SIG-IEP will:

1. Ensure that important international economic policy issues requiring interagency attention receive full, prompt and systematic consideration;
2. Deal with interdepartmental matters raised by any member or referred to it by subordinate interagency groups, or, if such matters require higher-level consideration, report them to the NSC;
3. Assure a proper selectivity of the international economic policy areas and issues to which the United States applies its efforts; and
4. Monitor the execution of approved policies and decisions.

A permanent secretariat, composed of personnel of the participating Departments and Agencies as agreed to by the SIG-IEP shall be established.

The Interagency Group on International Economic Affairs (IG-IEA) will report to the SIG-IEP.